



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Bollinger County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Bollinger County, Missouri, for the two years ended December 31, 2001. A copy of this audit, which was performed by Kraus and Head, L.L.P., Business Consultants and Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Claire C. McCaskill".

Claire C. McCaskill
State Auditor

Report No. 2002-64
August 30, 2002

BOLLINGER COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001

BOLLINGER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> FINANCIAL SECTION <hr/>	
Auditor's Reports:	3-6
Financial Statements.....	3-4
Compliance and Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Financial Statements:.....	7-27
 <u>Exhibit</u>	 <u>Description</u>
	Statement of Receipts, Disbursements, and Changes in Cash – Various Funds
A-1	Year Ended December 31, 2001.....8
A-2	Year Ended December 31, 20009
	 <u>General Revenue Fund</u>
B	Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....10
	 <u>Special Road and Bridge Fund</u>
B	Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....11
	 <u>Assessment Fund</u>
B	Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....11
	 <u>Law Enforcement Training Fund</u>
B	Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....12
	 <u>Prosecuting Attorney Training Fund</u>
B	Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....12

BOLLINGER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
B	<u>Health Center Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....12
B	<u>Special Law Enforcement Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years Ended December 31, 2001 and 2000.....13
B	<u>Prosecuting Attorney Delinquent Sales Tax Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....13
B	<u>Recorder's User Fee Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....13
B	<u>Prosecuting Attorney Bad Check Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....14
B	<u>Children's Trust Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....14
B	<u>Sheriff's Civil Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....14

BOLLINGER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
B	<u>Senate Bill 40 Board Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....15
B	<u>Sheriff's Building Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....15
B	<u>Sheriff's Donation Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....15
B	<u>Associate Division Interest Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....16
B	<u>Probate Division Interest Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....16
B	<u>Law Library Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....16
B	<u>Dare Program Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....17
B	<u>Circuit Clerk Interest Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....17

BOLLINGER COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Financial Statements:	
<u>Exhibit</u>	<u>Description</u>
B	<u>Election Service Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....17
B	<u>Dare Donation Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....18
B	<u>Recorder Technology Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....18
B	<u>Sheriff's Interest Fund</u> Comparative Statement of Receipts, Disbursements And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....18
B	<u>Rerorder's Grant Fund</u> Comparative Statement of Receipts, Disbursements, And Changes in Cash – Budget and Actual, Years, Ended December 31, 2001 and 2000.....19
Notes to the Financial Statements.....20-23	
Schedule.....24-25	
Schedule of Findings, Years Ended December 31, 2001 and 2000.....24-25	
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standard</i>26-27	

BOLLINGER COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report Auditor's Findings.....28-33

<u>Number</u>	<u>Description</u>	
1.	Time Cards.....	31
2.	Vouching System.....	31
3.	Sheriff's Log.....	31
4.	Segregation of Duties.....	32
5.	Health Center.....	32-33
6.	Recorder's Grant Account.....	33

Follow-Up on Prior Audit Findings.....34-39

Krauss and Head, L.L.P.
Business Consultants
and Certified Public Accountants
301 Sovereign Court
Suite 202
St. Louis, MO 63011

Gary L. Krauss, C.P.A. *
Tim L. Head, C.P.A.

Phone 636-207-6730
Fax 636-207-6731

LICENSED IN MISSOURI AND ILLINOIS

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS

To the County Commission
and
Officeholders of Bollinger County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of ***Bollinger County, Missouri***, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on the special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of ***Bollinger County, Missouri***, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of ***Bollinger County, Missouri***.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of ***Bollinger County, Missouri***, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with accounting principles generally accepted in the United States of America, the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 5, 2002 on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Krauss and Head, L.L.P.
Business Consultants and
Certified Public Accountants

Original Signed by Auditor

St. Louis, MO 63011
June 5, 2002

Krauss and Head, L.L.P.
Business Consultants
and Certified Public Accountants
301 Sovereign Court
Suite 202
St. Louis, MO 63011

Gary L. Krauss, C.P.A. *
Tim L. Head, C.P.A.

Phone 636-207-6730
Fax 636-207-6731

LICENSED IN MISSOURI AND ILLINOIS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Bollinger County, Missouri

We have audited the special-purpose financial statements of various funds of ***Bollinger County, Missouri***, as of and for the years ended December 31, 2001 and 2000, and have issued our report there on dated June 5, 2002. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of ***Bollinger County, Missouri***, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of ***Bollinger County, Missouri***, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amount that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of ***Bollinger County, Missouri*** and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Krauss and Head, L.L.P.
Business Consultants and
Certified Public Accountants

Original Signed by Auditor

St. Louis, MO 63011
June 5, 2002

Financial Statements

Exhibit A-1

BOLLINGER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 19,771	1,045,453	1,056,270	8,954
Special Road and Bridge	107,989	967,229	883,989	191,229
Assessment	21,048	91,150	98,194	14,004
Law Enforcement Training	783	2,063	1,634	1,212
Prosecuting Attorney Training	246	247	493	0
Health Center	221,749	465,565	423,459	263,855
Special Law Enforcement	219	4	120	103
Recorder's User Fee	1,619	5,958	5,095	2,482
Prosecuting Attorney Bad Check	2,381	3,936	5,200	1,117
Children's Trust	640	1,083	1,723	0
Sheriff's Civil	5,327	11,511	11,409	5,429
Senate Bill 40 Board	47,573	97,995	128,426	17,142
Sheriff's Building	55	3	58	0
Sheriff's Donation	14,889	2,733	14,359	3,263
Associate Division Interest	2,385	302	333	2,354
Probate Division Interest	592	0	0	592
Law Library	4,513	4,145	2,532	6,126
DARE Program	9,555	14,168	22,792	931
Circuit Division Interest	114	1,625	1,736	3
Election service	782	1,571	1,019	1,334
DARE Donation	0	85	23	62
Recorder Technology	0	1,535	0	1,535
Sheriff's Interest	260	3,176	2,848	588
Recorder's Grant	242	0	0	242 *
Total	\$ 462,732	2,721,537	2,661,712	522,557

* Data requested has not been provided. Balance unknown.

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

BOLLINGER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 4,612	1,023,586	1,008,427	19,771
Special Road and Bridge	81,696	895,275	868,982	107,989
Assessment	35,575	81,846	96,373	21,048
Law Enforcement Training	1,562	1,744	2,523	783
Prosecuting Attorney Training	414	317	485	246
Health Center	206,346	397,870	382,467	221,749
Special Law Enforcement	469	50	300	219
Prosecuting Attorney Delinquent Sales Tax	12	2	14	0
Recorder's User Fee	4,229	5,529	8,139	1,619
Prosecuting Attorney Bad Check	354	5,227	3,200	2,381
Children's Trust	182	458	0	640
Sheriff's Civil	982	15,060	10,715	5,327
Senate Bill 40 Board	87,943	92,090	132,460	47,573
Sheriff's Building	112	12	69	55
Sheriff's Donation	978	14,581	670	14,889
Associate Division Interest	2,149	736	500	2,385
Probate Division Interest	1,282	783	1,473	592
Law Library	3,615	5,808	4,910	4,513
DARE Program	0	12,224	2,669	9,555
Circuit Division Interest	1,938	2,908	4,732	114
Election service	0	782	0	782
Sheriff's Interest	262	48	50	260
Recorder's Grant	242	0	0	242 *
Total	\$ 434,954	2,556,936	2,529,158	462,732

* Data requested has not been provided. Balance unknown.

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 2,561,986	2,721,537	159,551	2,360,730	2,556,936	196,206
DISBURSEMENTS	2,737,244	2,661,712	75,532	2,598,247	2,529,158	69,089
RECEIPTS OVER (UNDER) DISBURSEMENTS	(175,258)	59,825	235,083	(237,517)	27,778	265,295
CASH, JANUARY 1	462,230	462,732	502	432,512	434,954	2,442
CASH, DECEMBER 31	286,972	522,557	235,585	194,995	462,732	267,737
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	181,700	152,428	(29,272)	168,800	161,625	(7,175)
Sales taxes	560,000	555,528	(4,472)	525,600	530,102	4,502
Intergovernmental	57,420	135,615	78,195	74,750	63,009	(11,741)
Charges for services	139,000	134,292	(4,708)	119,700	124,371	4,671
Interest	2,700	2,480	(220)	3,000	2,673	(327)
Other	47,160	65,110	17,950	29,900	119,006	89,106
Transfers in	22,500	0	(22,500)	23,043	22,800	(243)
Total Receipts	1,010,480	1,045,453	34,973	944,793	1,023,586	78,793
DISBURSEMENTS						
County Commission	59,100	59,017	83	59,300	58,995	305
County Clerk	48,430	48,632	(202)	47,690	48,473	(783)
Elections	13,480	12,253	1,227	54,550	57,597	(3,047)
Buildings and grounds	58,700	65,576	(6,876)	83,400	56,054	27,346
Employee fringe benefits	48,500	59,328	(10,828)	50,013	47,260	2,753
County Treasurer	25,501	23,769	1,732	26,001	24,803	1,198
County Collector	60,755	58,857	1,898	59,140	57,267	1,873
Ex Officio Recorder of Deeds	18,715	17,754	961	16,730	17,688	(958)
Circuit Clerk	13,224	10,266	2,958	13,305	9,519	3,786
Associate Circuit Court	6,252	7,824	(1,572)	5,694	5,455	239
Court administration	5,100	2,072	3,028	8,800	4,955	3,845
Public Administrator	17,925	17,892	33	10,000	9,712	288
Sheriff	315,223	321,478	(6,255)	180,343	235,450	(55,107)
Jail	99,160	108,744	(9,584)	112,170	127,813	(15,643)
Prosecuting Attorney	73,640	74,782	(1,142)	71,290	71,552	(262)
Juvenile Officer	45,000	36,570	8,430	45,000	40,227	4,773
County Coroner	15,690	13,867	1,823	18,289	14,670	3,619
General county government	67,740	112,274	(44,534)	0	120,631	(120,631)
Debt service	80,000	0	80,000	0	0	0
Other	1,000	315	685	95,722	306	95,416
Transfers out	5,000	5,000	0	28,070	0	28,070
Emergency Fund	20,000	0	20,000	30,000	0	30,000
Total Disbursements	1,098,135	1,056,270	41,865	1,015,507	1,008,427	7,080
RECEIPTS OVER (UNDER) DISBURSEMENTS	(87,655)	(10,817)	76,838	(70,714)	15,159	85,873
CASH, JANUARY 1	19,771	19,771	0	4,612	4,612	0
CASH, DECEMBER 31	(67,884)	8,954	76,838	(66,102)	19,771	85,873

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	249,700	210,852	(38,848)	196,500	204,014	7,514
Intergovernmental	560,150	545,853	(14,297)	555,520	539,991	(15,529)
Interest	8,000	6,424	(1,576)	5,000	7,364	2,364
Other	1,210	204,100	202,890	11,085	143,906	132,821
Total Receipts	819,060	967,229	148,169	768,105	895,275	127,170
DISBURSEMENTS						
Salaries	260,897	312,414	(51,517)	235,348	231,777	3,571
Employee fringe benefits	64,280	78,202	(13,922)	76,792	65,091	11,701
Supplies	91,000	75,451	15,549	71,000	78,881	(7,881)
Insurance	17,000	14,322	2,678	15,000	16,798	(1,798)
Road and bridge materials	100,000	72,934	27,066	110,000	67,409	42,591
Equipment repairs	60,000	72,960	(12,960)	60,000	63,651	(3,651)
Equipment purchases	150,000	119,813	30,187	165,000	113,166	51,834
Construction, repair, and maintenance	0	0	0	5,000	0	5,000
Debt service	0	0	0	60,000	42,222	17,778
Other	100,800	113,321	(12,521)	117,500	167,187	(49,687)
Transfers out	22,500	24,572	(2,072)	22,800	22,800	0
Total Disbursements	866,477	883,989	(17,512)	938,440	868,982	69,458
RECEIPTS OVER (UNDER) DISBURSEMENTS	(47,417)	83,240	130,657	(170,335)	26,293	196,628
CASH, JANUARY 1	107,989	107,989	0	81,696	81,696	0
CASH, DECEMBER 31	60,572	191,229	130,657	(88,639)	107,989	196,628
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	90,475	83,354	(7,121)	90,070	78,599	(11,471)
Interest	500	808	308	1,000	1,396	396
Other	1,000	1,988	988	1,030	1,851	821
Transfers in	23,975	5,000	(18,975)	28,070	0	(28,070)
Total Receipts	115,950	91,150	(24,800)	120,170	81,846	(38,324)
DISBURSEMENTS						
Assessor	115,950	98,194	17,756	118,140	96,373	21,767
Total Disbursements	115,950	98,194	17,756	118,140	96,373	21,767
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(7,044)	(7,044)	2,030	(14,527)	(16,557)
CASH, JANUARY 1	21,048	21,048	0	35,575	35,575	0
CASH, DECEMBER 31	21,048	14,004	(7,044)	37,605	21,048	(16,557)

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOU

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,500	2,010	510	1,500	1,600	100
Interest	150	53	(97)	150	144	(6)
Total Receipts	1,650	2,063	413	1,650	1,744	94
DISBURSEMENTS						
Sheriff	2,400	1,634	766	0	2,523	(2,523)
Total Disbursements	2,400	1,634	766	0	2,523	(2,523)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(750)	429	1,179	1,650	(779)	(2,429)
CASH, JANUARY 1	783	783	0	1,562	1,562	0
CASH, DECEMBER 31	33	1,212	1,179	3,212	783	(2,429)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	250	235	(15)	280	255	(25)
Interest	60	12	(48)	90	62	(28)
Total Receipts	310	247	(63)	370	317	(53)
DISBURSEMENTS						
Prosecuting Attorney	556	493	63	0	485	(485)
Total Disbursements	556	493	63	0	485	(485)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(246)	(246)	0	370	(168)	(538)
CASH, JANUARY 1	246	246	0	414	414	0
CASH, DECEMBER 31	0	0	0	784	246	(538)
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	203,000	201,789	(1,211)	193,000	195,453	2,453
Intergovernmental	239,500	236,727	(2,773)	182,500	186,110	3,610
Interest	15,000	15,764	764	9,600	12,953	3,353
Other	16,500	11,285	(5,215)	9,300	3,354	(5,946)
Total Receipts	474,000	465,565	(8,435)	394,400	397,870	3,470
DISBURSEMENTS						
Salaries	255,700	235,264	20,436	228,890	230,879	(1,989)
Office expenditures	99,550	102,603	(3,053)	61,003	72,540	(11,537)
Equipment	5,150	2,545	2,605	3,900	950	2,950
Mileage and training	15,000	10,024	4,976	11,000	7,469	3,531
Contract services	34,600	26,971	7,629	32,000	13,120	18,880
Building mortgage	64,000	46,052	17,948	56,907	57,509	(602)
Total Disbursements	474,000	423,459	50,541	393,700	382,467	11,233
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	42,106	42,106	700	15,403	14,703
CASH, JANUARY 1	221,749	221,749	0	206,346	206,346	0
CASH, DECEMBER 31	221,749	263,855	42,106	207,046	221,749	14,703

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Interest	1	4	3	10	10	0
Other	0	0	0	0	40	40
Total Receipts	1	4	3	10	50	40
DISBURSEMENTS						
Equipment	221	120	101	0	300	(300)
Total Disbursements	221	120	101	0	300	(300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(220)	(116)	104	10	(250)	(260)
CASH, JANUARY 1	219	219	0	469	469	0
CASH, DECEMBER 31	(1)	103	104	479	219	(260)
<u>PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND</u>						
RECEIPTS						
Interest	0	0	0	2	2	0
Total Receipts	0	0	0	2	2	0
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	0	14	(14)
Total Disbursements	0	0	0	0	14	(14)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	2	(12)	(14)
CASH, JANUARY 1	0	0	0	12	12	0
CASH, DECEMBER 31	0	0	0	14	0	(14)
<u>RECORDER'S USER FEE FUND</u>						
RECEIPTS						
Charges for services	5,000	5,830	830	6,000	5,074	(926)
Interest	500	128	(372)	500	455	(45)
Total Receipts	5,500	5,958	458	6,500	5,529	(971)
DISBURSEMENTS						
Recorder of Deeds	6,000	5,095	905	0	8,139	(8,139)
Total Disbursements	6,000	5,095	905	0	8,139	(8,139)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	863	1,363	6,500	(2,610)	(9,110)
CASH, JANUARY 1	1,619	1,619	0	4,229	4,229	0
CASH, DECEMBER 31	1,119	2,482	1,363	10,729	1,619	(9,110)

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	5,000	3,710	(1,290)	3,000	5,080	2,080
Interest	150	226	76	200	147	(53)
Total Receipts	5,150	3,936	(1,214)	3,200	5,227	2,027
DISBURSEMENTS						
Transfer out	5,200	5,200	0	0	3,200	(3,200)
Total Disbursements	5,200	5,200	0	0	3,200	(3,200)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(50)	(1,264)	(1,214)	3,200	2,027	(1,173)
CASH, JANUARY 1	2,381	2,381	0	354	354	0
CASH, DECEMBER 31	2,331	1,117	(1,214)	3,554	2,381	(1,173)
<u>CHILDREN'S TRUST FUND</u>						
RECEIPTS						
Charges for services	450	1,054	604	350	420	70
Interest	40	29	(11)	500	38	(462)
Total Receipts	490	1,083	593	850	458	(392)
DISBURSEMENTS						
Domestic violence shelters	1,000	1,723	(723)	0	0	0
Total Disbursements	1,000	1,723	(723)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(510)	(640)	(130)	850	458	(392)
CASH, JANUARY 1	640	640	0	182	182	0
CASH, DECEMBER 31	130	0	(130)	1,032	640	(392)
<u>SHERIFF'S CIVIL FUND</u>						
RECEIPTS						
Charges for services	15,200	11,152	(4,048)	19,500	14,711	(4,789)
Interest	350	359	9	500	349	(151)
Total Receipts	15,550	11,511	(4,039)	20,000	15,060	(4,940)
DISBURSEMENTS						
Office expenditures	20,000	11,409	8,591	0	10,715	(10,715)
Total Disbursements	20,000	11,409	8,591	0	10,715	(10,715)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,450)	102	4,552	20,000	4,345	(15,655)
CASH, JANUARY 1	5,327	5,327	0	982	982	0
CASH, DECEMBER 31	877	5,429	4,552	20,982	5,327	(15,655)

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	82,100	84,105	2,005	77,000	86,424	9,424
Intergovernmental	0	0	0	500	0	(500)
Interest	1,000	2,864	1,864	3,500	1,690	(1,810)
Other	11,400	11,026	(374)	2,400	3,976	1,576
Total Receipts	94,500	97,995	3,495	83,400	92,090	8,690
DISBURSEMENTS						
Mental Health Trust Fund	33,117	33,117	0	39,579	39,579	0
Building maintenance	65,360	81,463	(16,103)	73,728	73,728	0
Other	13,846	13,846	0	19,153	19,153	0
Total Disbursements	112,323	128,426	(16,103)	132,460	132,460	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,823)	(30,431)	(12,608)	(49,060)	(40,370)	8,690
CASH, JANUARY 1	47,573	47,573	0	87,943	87,943	0
CASH, DECEMBER 31	29,750	17,142	(12,608)	38,883	47,573	8,690
<u>SHERIFF'S BUILDING FUND</u>						
RECEIPTS						
Interest	10	3	(7)	75	12	(63)
Other	0	0	0	925	0	(925)
Total Receipts	10	3	(7)	1,000	12	(988)
DISBURSEMENTS						
Equipment	65	58	7	0	69	(69)
Total Disbursements	65	58	7	0	69	(69)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(55)	(55)	0	1,000	(57)	(1,057)
CASH, JANUARY 1	55	55	0	112	112	0
CASH, DECEMBER 31	0	0	0	1,112	55	(1,057)
<u>SHERIFF'S DONATION FUND</u>						
RECEIPTS						
Interest	300	675	375	25	322	297
Donations	500	2,058	1,558	9,975	14,259	4,284
Total Receipts	800	2,733	1,933	10,000	14,581	4,581
DISBURSEMENTS						
Office expenditure	15,000	14,359	641	0	670	(670)
Total Disbursements	15,000	14,359	641	0	670	(670)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,200)	(11,626)	2,574	10,000	13,911	3,911
CASH, JANUARY 1	14,889	14,889	0	978	978	0
CASH, DECEMBER 31	689	3,263	2,574	10,978	14,889	3,911

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSOCIATE DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	800	302	(498)	425	736	311
Total Receipts	800	302	(498)	425	736	311
DISBURSEMENTS						
Associate Division	1,685	333	1,352	0	500	(500)
Total Disbursements	1,685	333	1,352	0	500	(500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(885)	(31)	854	425	236	(189)
CASH, JANUARY 1	2,385	2,385	0	2,149	2,149	0
CASH, DECEMBER 31	1,500	2,354	854	2,574	2,385	(189)
<u>PROBATE DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	75	0	(75)	85	783	698
Total Receipts	75	0	(75)	85	783	698
DISBURSEMENTS						
Probate Division	592	0	592	0	1,473	(1,473)
Total Disbursements	592	0	592	0	1,473	(1,473)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(517)	0	517	85	(690)	(775)
CASH, JANUARY 1	592	592	0	1,282	1,282	0
CASH, DECEMBER 31	75	592	517	1,367	592	(775)
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Interest	125	110	(15)	70	128	58
Other	5,675	4,035	(1,640)	5,700	5,680	(20)
Total Receipts	5,800	4,145	(1,655)	5,770	5,808	38
DISBURSEMENTS						
Publications	5,000	2,532	2,468	0	4,910	(4,910)
Total Disbursements	5,000	2,532	2,468	0	4,910	(4,910)
RECEIPTS OVER (UNDER) DISBURSEMENTS	800	1,613	813	5,770	898	(4,872)
CASH, JANUARY 1	4,513	4,513	0	3,615	3,615	0
CASH, DECEMBER 31	5,313	6,126	813	9,385	4,513	(4,872)

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DARE PROGRAM FUND</u>						
RECEIPTS						
Charges for services	10,000	13,800	3,800	0	12,029	12,029
Interest	0	368	368	0	195	195
Total Receipts	10,000	14,168	4,168	0	12,224	12,224
DISBURSEMENTS						
Dare Program	10,000	22,792	(12,792)	0	2,669	(2,669)
Total Disbursements	10,000	22,792	(12,792)	0	2,669	(2,669)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(8,624)	(8,624)	0	9,555	9,555
CASH, JANUARY 1	9,555	9,555	0	0	0	0
CASH, DECEMBER 31	9,555	931	(8,624)	0	9,555	9,555
<u>CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Property taxes	1,500	1,625	125	0	2,908	2,908
Total Receipts	1,500	1,625	125	0	2,908	2,908
DISBURSEMENTS						
Office expense	1,500	1,736	(236)	0	4,732	(4,732)
Total Disbursements	1,500	1,736	(236)	0	4,732	(4,732)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(111)	(111)	0	(1,824)	(1,824)
CASH, JANUARY 1	114	114	0	0	1,938	1,938
CASH, DECEMBER 31	114	3	(111)	0	114	114
<u>ELECTION SERVICE FUND</u>						
RECEIPTS						
Charges for services	340	1,519	1,179	0	762	762
Interest	20	52	32	0	20	20
Total Receipts	360	1,571	1,211	0	782	782
DISBURSEMENTS						
Equipment	1,140	1,019	121	0	0	0
Total Disbursements	1,140	1,019	121	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(780)	552	1,332	0	782	782
CASH, JANUARY 1	782	782	0	0	0	0
CASH, DECEMBER 31	2	1,334	1,332	0	782	782

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DARE DONATION FUND</u>						
RECEIPTS						
Charges for services	0	83	83	0	0	0
Interest	0	2	2	0	0	0
Total Receipts	0	85	85	0	0	0
DISBURSEMENTS						
Dare expense	0	23	(23)	0	0	0
Total Disbursements	0	23	(23)	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	62	62	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	62	62	0	0	0
<u>RECORDER TECHNOLOGY FUND</u>						
RECEIPTS						
Charges for services	0	1,531	1,531	0	0	0
Interest	0	4	4	0	0	0
Total Receipts	0	1,535	1,535	0	0	0
DISBURSEMENTS						
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,535	1,535	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	1,535	1,535	0	0	0
<u>SHERIFF'S INTEREST FUND</u>						
RECEIPTS						
Charges for services	0	3,135	3,135	0	42	42
Interest	0	41	41	0	6	6
Total Receipts	0	3,176	3,176	0	48	48
DISBURSEMENTS						
Other	0	2,848	(2,848)	0	50	(50)
Total Disbursements	0	2,848	(2,848)	0	50	(50)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	328	328	0	(2)	(2)
CASH, JANUARY 1	0	260	260	0	262	262
CASH, DECEMBER 31	0	588	588	0	260	260

The accompanying Notes to the Financial Statements are an integral part of this statement

Exhibit B

BOLLINGER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDER'S GRANT FUND</u>						
RECEIPTS						
Total Receipts	0	0	0	0	0	0
DISBURSEMENTS						
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1		242	242		242	242
CASH, DECEMBER 31	0	242	242	0	242	242

*

* Data requested has not been provided. Balance unknown.

The accompanying Notes to the Financial Statements are an integral part of this statement

Notes to the Financial Statements

BOLLINGER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Bollinger County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budget for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000 and RSMo Cumulative Supp. 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds.

<u>Fund</u>	<u>Years Ended December 31.</u>
Sheriff's Interest Fund	2001 and 2000
Circuit Clerk Interest Fund	2000
Recorder's Grant Fund	2001 and 2000
Dare Program Fund	2000
Election Service Fund	2000
Dare Donation Fund	2001
Recorder Technology Fund	2001

Warrants issued were in excess of budgeted amounts for the following funds.

<u>Fund</u>	<u>Year Ended December 31,</u>
Special Road & Bridge Fund	2001
Law Enforcement Training Fund	2000*
Prosecuting Attorney Training Fund	2000*
Special Law Enforcement Fund	2000*
Prosecuting Attorney Delinquent Sales Tax Fund	2000*
Recorder's User Fee Fund	2000*
Prosecuting Attorney Bad Check Fund	2000*
Children's Trust Fund	2001
Sheriff's Civil Fund	2000*
Sheriff's Building Fund	2000*
Sheriff's Donation Fund	2000*
Associate Division Interest Fund	2000*
Probate Division Interest Fund	2000*
Law Library Fund	2000*
Dare Program Fund	2001
Circuit Clerk Interest Fund	2001
Dare Donation Fund	2001*
Sheriff's Interest Fund	2001*

* Revenue was budgeted-no expenditures were budgeted.

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budget.

Deficit budget balances are presented for the General Revenue for the years ended December 31, 2001 and 2000 and Special Road and Bridge Funds for the year ended December 31, 2000. However, the budgets of those funds also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balances presented.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31.</u>
Health Center Fund	2001 and 2000
Senate Bill 40 Fund	2001 and 2000
Sheriff's Interest Fund	2001 and 2000
Recorder's Grant Fund	2001 and 2000

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The financial statements do not include the cash balances of the County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the county rather than to specific county officials.

Of the county's bank balance at December 31, 2001, \$240,093 was covered by federal depository insurance and \$1,674,559 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

Of the county's bank balance at December 31, 2000, \$293,322 was covered by federal depository insurance and \$1,640,816 was covered by collateral pledged by one bank and held in the county's name by the safekeeping department of an affiliate of the same bank holding company.

The Health Center and Senate Bill 40 Boards' deposits at December 31, 2001 and 2000 were entirely covered by federal depository insurance.

Schedule

BOLLINGER COUNTY, MISSOURI
SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 2001 AND 2000

This schedule includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

BOLLINGER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2001, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report-
Auditor's Findings

BOLLINGER COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Bollinger County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 5, 2002.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials referred to above. In addition, this report includes findings other than those, if any reported in the accompanying Schedule of Findings. These findings resulted from our audit of the special-purpose financial statements of Bollinger County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

**BOLLINGER COUNTY
MANAGEMENT ADVISORY COMMENTS**

1. TIME CARDS

Employees do not adequately attest to timecards. It was noted during our audit that employees are not currently signing time cards. An employee signature or at least an initial is evidential matter attesting to the accuracy of information on the time card.

In addition, it was noted that supervisors did not initial some employee's time cards.

The County still has some employees that are not required to prepare time cards. All employees, including elected officials should prepare time cards.

AUDITEE'S RESPONSE

The County will try to do a better job of making employees prepare and sign time cards. Time cards will also be required to be signed by supervisors.

2. VOUCHING SYSTEM

The County does not use a vouching system. Currently the County does not utilize a purchase order system. Purchase orders should be utilized to show authorization for purchases. Upon receipt of the items purchased, one copy of the purchase order could be utilized to verify quantities purchased. This copy of the purchase order could be used to match against the vendor invoice to verify quantity received and price per unit.

AUDITEE'S RESPONSE

The County will consider the utilization of a purchase order system when warranted.

3. SHERIFF'S LOG

The Sheriff's office does not currently have a backup plan for the evidence log. As is noted in the follow-up to prior advisory comments, the Sheriff's office currently has a manual log of items kept in the evidence log. The Sheriff's office currently is in the process of computerizing the inventory of items in the evidence room. When questioned about plans for offsite backup of the computer files, the personnel has no plans for backing-up data files or offsite backup. Offsite backup could easily be made and stored in a safe deposit box in the bank across the street.

AUDITEE'S RESPONSE

The Sheriff's office will consider establishing a plan for backing up the evidence log and storing offsite.

4. SEGREGATION OF DUTIES

Several offices including Recorder of Deeds, Assessor, Prosecuting Attorney, Collector, Treasurer, Circuit Clerk and Sheriff's office has inadequate segregation of duties. It is not uncommon for one person to perform cash receipts, depositing, record keeping, and disbursing functions. The County should investigate ways of separating these duties whenever possible.

AUDITEE'S RESPONSE

The County will consider ways to segregate duties whenever possible, but wishes to point out that the County has limited resources and personnel. This means that adequate segregation of duties may not be feasible.

5. HEALTH CENTER

A. PURCHASE ORDERS

The County's Health Center is partially funded by property tax revenues. It was noted during an examination of disbursements at the Health Center that an appropriate voucher system is not in use. The Health Center should establish a method of issuing approved purchase orders specifying the quantity and price per unit of items ordered. One copy of the purchase order should be utilized as a receiving document. This should give the Health Center some verification of the accuracy of vendor invoices before payment is made to the vendor.

We noted in our audit that some drugs were paid for, with no evidence that the Health Center actually received the drugs in question. There may be DEA record keeping requirements that the Health Center needs to ensure compliance with.

AUDITEE'S RESPONSE

The auditee indicated a willingness to establish an appropriate voucher system.

B. VENDOR VOUCHERS

The Health Center does not appropriately cancel vendor invoices. The Health Center normally pays more than one vendor invoice at one time. Normally the Health Center runs an adding machine tape of the vendor invoices and stamps the adding machine tape as paid instead of the vendor invoices. The method could mean that a vendor invoice could be accidentally separated and paid again. We recommend that the Health Center stamp each vendor invoice with the date and check number when paid.

AUDITEE'S RESPONSE

The Health Center indicated a willingness to establish a method of canceling each vendor invoice when paid.

A. SUBCONTRACT SERVICES

The Health Center currently subcontracts some medical services. We noted some differences between what the Health Center had been invoiced and what had actually been paid. Personnel indicated that the amounts that the Health Center was to be billed were to be the same as the amounts allowable under the Medicare reimbursement rates. The Health Center should consider establishing the amounts to be paid under subcontracted services in an actual contract for services.

AUDITEE'S RESPONSE

Management will take this under consideration.

B. COMPUTER BACKUPS

The Health Center had a hard drive failure on its accounting system in 2001. Most of the data could not be replaced because of inadequate backup. There were adequate hard copies available for backing up data. The Health Center should undertake to obtain two weekly backups and store one offsite.

AUDITEE'S RESPONSE

Management will start regular backups.

6. RECORDER'S GRANT FUND

We were unable to obtain a record of revenue, expenditures and bank reconciliations from the recorder's grant account. The account should be monitored and reconciled monthly to ensure proper accountability and to remove questions.

AUDITEE'S RESPONSE

To date, we have not received adequate explanation of why this information has not been assembled or provided to us, despite numerous requests.

Follow-Up on Prior Audit Findings

BOLLINGER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Bollinger County, Missouri, on findings in the Management Advisory Report (MAR) in a prior audit report issued for the two years ended December 31, 2001. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1.	Financial Conditions
-----------	-----------------------------

Bollinger County's General Revenue Fund has been experiencing a declining cash balance.

Included in the 1999 disbursements is approximately \$26,000 transferred from the General Revenue Fund to the Assessment Fund, however based on the Assessment Fund's cash balance and financial resources, it is questionable why this transfer was made.

For 2000, the county budgeted receipts of \$944,793 and disbursements of \$1,015,507, resulting in an estimated ending cash balance of (\$66,102). Although the General Revenue Fund had a cash balance of only \$4,612 at December 31, 1999, the county passed a budget that allowed increases in disbursements to exceed anticipated increases in receipts. Given the county's poor financial condition, it appears the county should attempt to increase the cash balance of the General Revenue Fund.

Additionally, prior audit reports noted that \$30,800 was due from the General Revenue Fund to other county funds and political subdivisions as the result of excess commissions withheld. The County Commission indicated the General Revenue Fund did not have sufficient funds to repay these monies. Only because of non-compliance with state laws, does the county have any cash balance at December 31, 1999 and no corrective actions were apparently taken for 2000.

RECOMMEND the County Commission consider the various alternatives of increasing receipts and/or reducing disbursements.

STATUS the County continues to seek new revenues and maintain a tight grasp on expenditures.

2.	Contracts
-----------	------------------

The county does not have written agreements with various political subdivisions and individuals as follows:

- A. As noted in prior audit reports, the Sheriff provides dispatching services to an area municipality and an ambulance district.

- B. The Prosecuting Attorney does not have an office in the courthouse; he performs his county duties from an office building used in the operation of his private law practice.

The agreed upon payments are requested and approved through the county's annual budget process. However, there are no written agreements specifying how the rent and utilities amounts are determined and/or the percentage of secretaries salaries to be paid by the county. In addition, adequate supporting documentation such as employee time sheets is not maintained by the Prosecuting Attorney for filing with the County Clerk.

- C. Various transactions were entered into for which contracts could not be located.

Section 432.070, RSMo 1994, requires the county to have all contracts in writing. Written agreements should be prepared and should clearly specify the arrangements between applicable parties. In addition, all agreements should be approved by the County Commission.

RECOMMEND the County Commission ensure written agreements are entered into with all applicable political subdivisions and individuals documenting each parties contractual obligations.

STATUS

- A. The County represents that contracts are in place, but could not provide copies.
B., C. Implemented.

3. Personnel and Payroll Policies and Procedures

- A. Time sheets and/or records tracking accumulated leave balances are not maintained on full-time employees of the Ex-Officio Recorder of Deeds, the County Collector, and the Prosecuting Attorney.

The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid.

A similar condition was noted in prior audit reports.

- B. Although the County Commission has a written policy regarding sick leave and annual leave, the county's personnel manual does not address compensatory time or overtime. The Sheriff's office pays overtime for work in excess of 171 hours during a one month period. This procedure may not be in accordance with the FLSA. A written personnel policy regarding compensatory time or overtime for all employees is necessary to ensure compliance with the FLSA and to provide assurance that all employees are treated equitably.

RECOMMEND the County Commission:

- A. Require all county employees to complete time sheets which reflect actual time worked and leave balances earned and used. The time sheets should be prepared by employees, approved by the applicable supervisor, and filed with the County Clerk. In addition, the County Commission should require the County Clerk to maintain centralized leave records for all employees.
- B. Establish a written policy regarding compensatory time and overtime to ensure compliance with the FLSA.

STATUS

Partially Implemented. Not all time cards signed.

4. General Fixed Assets

The County Commission or its designee is responsible for maintaining a complete detailed record of county property. The County Clerk maintains a computerized inventory listing of fixed assets held by county officials. Additions to the inventory listing were not reconciled to equipment expenditures or the County Clerk's annual physical inventory to ensure all fixed assets are properly recorded.

Similar conditions were noted in the prior reports.

RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

STATUS

Not Implemented

The County plans to establish a written policy within the next year.

5. Sheriff's Accounting Controls and Procedures
--

- A. During the review, it was brought to the prior auditors that there were at least three instances where monies received by the Sheriff's office totaling \$736 were not deposited or were found to be missing.
- B. During the two years ended December 31, 1999, controls over the evidence room used for storing property taken in criminal cases were not adequate. A complete log of seized property was not maintained and occasionally property would turn up missing.

- C. The Sheriff has \$2,260 in two old bank accounts that has not been properly disbursed. Of this amount, \$2,144 was received from a Sheriff's sale in January, 1994. The remaining \$116 pertains to old outstanding checks. The Sheriff should review the January 1994 Sheriff's sale records to determine how the monies should be disbursed. In addition, any old unclaimed outstanding checks should be disposed of in accordance with state law.

A similar condition was noted in prior reports.

RECOMMEND the Sheriff:

- A. Adequately segregate duties or ensure independent, documented reviews of the records are performed. In addition, the Sheriff should ensure all missing monies are recovered and distributed to the appropriate parties.
- B. Ensure all evidence is inventoried in the seized property log and dispose of unclaimed items in a timely manner in accordance with state law.
- C. Disburse the amounts remaining from the 1994 Sheriff's sale and attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law.

STATUS

Not implemented.

6. Circuit Clerk and Ex-Officio Recorder of Deeds' Accounting Controls and Procedures
--

During a review of the Circuit Clerk and Ex-Officio Recorder of Deeds' accounting procedures the following concerns were noted:

- C. Monthly listings of open items (liabilities) are not prepared on a timely basis for the Circuit Clerk's fee account. During the audit period, a listing of open items was last prepared for the month of February 1999 by the Office of State Courts Administrator. Consequently, open items have not been periodically reconciled with bank and book balances.

To ensure proper accountability over open cases and ensure monies held in trust by the court are sufficient to meet liabilities, monthly listings of open items should be prepared by the court and reconciled to the reconciled cash balance. Any discrepancies found should be investigated and resolved.

- D. Our review of the Circuit Clerk's interest account found that copy monies are being deposited into the account and used for various office expenditures. From January 1, 1998 to June 1, 2000, copy monies totaling \$3,644 were deposited in the Circuit Clerk's interest account, and only \$1,437 was turned over to the County Treasurer.

Similar conditions were noted in prior reports.

RECOMMEND the Circuit Clerk and Ex-Officio Recorder of Deeds:

- A. Prepare a complete listing of open items on a monthly basis and reconcile the listing to the cash balance. Any discrepancies should be investigated and resolved. In addition, along with the Circuit Judge, review the older cases and determine the appropriate disposition of inactive cases.
- B. Ensure the Circuit Clerk's interest account includes only interest earned on the Circuit Clerk's bank accounts. Copy monies should be receipted, deposited to the fee account, and remitted to the County Treasurer at least monthly, along with any interest earned on the Ex-Officio Recorder's bank account. In addition, any unidentified monies or old outstanding checks held by the court should be investigated and disposed of in accordance with state law.

STATUS:

- A. Not implemented.
- B. Implemented.